

# Legislative Council,

Wednesday, 21st September, 1927.

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The PRESIDENT took the Chair at 4.30 p.m., and read prayers.

## LEAVE OF ABSENCE.

On motion by Hon. E. Rose, leave of absence for six consecutive sittings granted to the Hon. G. W. Miles (North) on the ground of urgent private business.

## BILL—TRUSTEES ACT AMENDMENT.

Read a third time and transmitted to the Assembly.

## BILL—MENTAL TREATMENT.

### *Second Reading.*

Debate resumed from the previous day.

**THE CHIEF SECRETARY** (Hon. J. M. Drew—Central—in reply) [4.35]: Mr. Nicholson pointed out that under the Bill a voluntary patient could enter the hospital without the support of a medical certificate. He can do so under the Lunacy Act as far as the Hospital for the Insane is concerned, with the consent of two justices. But although he might be admitted into the reception house as a voluntary patient, it is not likely that he would be kept there unless the superintendent was satisfied that he was really suffering from mental disorder. It will be seen that under paragraph (a) of Clause 3 a patient of this class can be discharged at any time the superintendent or governing authority may think fit. Of course, if he or she had no means of support the father or mother, husband or wife, son or daughter, as the case might be, would be liable to pay something towards the cost of maintenance. But under the Lunacy Act they are now required to do that for voluntary patients,

and their financial responsibilities would not be of such long continuance if the early treatment thus afforded led to a speedy recovery. At Claremont during 1925-26 there were only two voluntary boarders, but during 1926-27 there were eleven, and the figures since the end of June indicate that more people are now taking advantage of that section of the Act. Mr. Cornell thinks there should be two medical certificates instead of one for voluntary patients. Other members have expressed the same opinion. This Bill is based on the report of the British Royal Commission on Lunacy to which I referred when moving the second reading. They recommended that in cases of certification of unsound mind two medical certificates should be insisted upon and that in cases in which there was detention without certification of lunacy, only one certificate should be provided for. The board of visitors of the Claremont Hospital for the Insane are of the same opinion as Mr. Cornell, Dr. Saw, and others. Medical practitioners in Scotland, assembled in conference to consider the report of the Royal Commission, expressed a similar view. The Inspector-General of the Insane, however, thinks it is unnecessary to have two medical certificates for admission into a reception house which, he is of opinion, should be made as easy and inexpensive as possible. Later on, if the case were regarded as hopeless, two medical certificates would be necessary to admit the patient to the Claremont institution. One member wished to know the causes of insanity. They are numerous. In some cases it is due to heredity; in other cases to grief, misfortune or excessive mental strain, and often with women it is incidental to childbirth. High and low, rich and poor, no section of the community is exempt from this misfortune. Men of genius have become the victims, and the best brains of the medical profession in England and elsewhere are busily engaged in investigating the causes of insanity and endeavouring to find a cure. I am pleased to say that in some instances their efforts have met with success. In Western Australia patients have been discharged from the Claremont institution cured after a few months detention and have never returned. In the course of my official duties I have seen this from the reports submitted to me. Every report has to be submitted to me

If we had had the reception house contemplated by this Bill, such patients would not have been submitted to the indignity of certification as insane. As to the number of insane, Western Australia in point of immunity is the second best State in the Commonwealth, the number of insane to sane being as follows:—

South Australia—One to 442.  
 Western Australia—One to 324.  
 Queensland—One to 297.  
 New South Wales—One to 274.  
 Victoria—One to 266.

Reference has been made to the necessity for inserting Section 179 of the principal Act in this Bill so that no action would lie against any person who acted in good faith. Several members of the medical profession have approached the Inspector-General stressing the advisability of inserting that provision in this Bill. The Solicitor General states that the position is covered by Clause 1 of the Bill, which says that the Mental Treatment Act shall be read as one with the Lunacy Act, 1903-20. But it would, perhaps, be a check against possible litigation if the section were repeated in this measure. To that I shall refer later. Dr. Saw made a very interesting and instructive speech, as usual. I think members must feel very thankful to him for having submitted his views at such length. He expressed the hope that the reception house would never be used for mental deficient or confirmed cases of lunacy. Mental deficient will not be admitted to the Point Heathcote home at all, and the obviously insane will be sent straight to Claremont. That is the determination of the Inspector-General. Dr. Saw asked whether 12 months detention would not be too long. It does not follow that detention will be for 12 months. Under Subclause 7 of Clause 4 a patient can be discharged at any time, and he will be discharged if cured. Perhaps long before the expiration of 12 months, it will be necessary to remove the patient to Claremont and he will then be certified in accordance with the Lunacy Act. Dr. Saw pointed out that a medical practitioner would not certify people as insane for fear of possible legal consequences. Clause 1, however, says that this Act shall be read as one with the Lunacy Act, and our legislation is more protective than is the English legislation.

Hon. A. J. H. Saw: That opinion is not shared by a number of solicitors in this city.

The CHIEF SECRETARY: To make assurance doubly sure, however, I intend to move to incorporate Section 179 definitely in this measure. In this connection I propose to the House the insertion of a new clause, to stand as Clause 9, reading as follows:—

(1) No action shall lie against any person for or on account of any act, matter, or thing done or commended to be done by him, and purporting to be done for the purpose of carrying out the provisions of this Act, unless it is proved that such act was done or commended to be done maliciously and without reasonable and probable cause.

The onus of proof is thrown on the person who proposes to bring an action.

Hon. J. Nicholson: That is very necessary.

The CHIEF SECRETARY: In England, I understand, the onus is thrown on the medical authorities. The new clause continues—

(2) No such action shall be commenced until one month next after notice in writing has been served on the person against whom it is intended to be brought, or left at his usual place of abode. Such notice shall clearly state the cause of action, the name and place of abode of the plaintiff, and the name and place of business of his solicitor (if any), and shall be signed by the plaintiff. (3) Every such action shall be commenced within three months after the alleged cause of action, or the discharge of the patient. (4) Proceedings in such action shall be stayed if the court is satisfied that there is no reasonable ground for the action, or that notice of action has not been given, or that the said proceedings have been commenced after the expiration of the three months aforesaid. (5) The court may at any time after the commencement of such action order security for costs to be given by the plaintiff, and direct all proceedings in the action to be stayed until such order is complied with.

Dr. Saw is not sure what role a justice of the peace fills in this measure. In the case of voluntary patients he simply witnesses the application of the person who desires treatment; but in the case of involuntary patients he occupies a judicial position, and has to be satisfied, by proof, that the person is suffering from mental disorder. He may accept as such proof a certificate signed by a medical practitioner, but unless such certificate is produced the evidence of a medical practitioner is essential. So that

there is every safeguard to prevent anything like a sane person, or a person not suffering from nervous disorder, entering the reception house. Dr. Saw asked whether various authorities had been consulted prior to the preparation of the Bill. So far as I am aware, no one has been consulted except the Inspector General of Insane. That officer had the matter in hand; and he followed, as closely as his judgment dictated, the Royal Commission's recommendations. The six-months provisional order suggested by the Royal Commission has been altered to 12 months, but in view of that circumstance power is taken to discharge patients at any time the Inspector General, or the other authorities, may deem fit. I have some figures supplied to me by the Inspector General with regard to the number of admissions into the Claremont hospital, the observation wards, etc. They are as follows:—

Average number of Admissions for last five years	148 per annum
Average number of Discharges under one year (based on last five years)	47 = 1 to 3
Discharges (based on last five years)—	
Under one month ...	2.8
Two to three months ...	9.4
Three to six months ...	15.2
Six to nine months ...	11.0
Nine to twelve months ...	7.4

Mental Wards, Perth Hospital and Kalgoorlie Hospital.

Average number of Admissions for last five years 431 per annum

Average number transferred to Claremont Hospital for the Insane from Perth Hospital and Kalgoorlie Hospital 108 per annum = 1 in 4

— Approximately half the cases admitted to the Claremont Hospital for the Insane are unlikely to recover, and there would be no necessity to hold them for any length of time at Heathcote.

57 per cent. of discharges take place within first year.

In connection with the Claremont hospital there is a Mental Comforts and After Care Association, Incorporated. I stated that the association had done valuable work for the unfortunate patients, and I now desire to give a brief outline of that work. Assistance has been given in the way of payments for board and lodging, registry office fees, train fares to country districts, and attention to eyes and teeth. Everything possible is done by the association to give patients discharged from mental homes a fresh start in life. Efforts are also made to brighten the lives of those who remain in such institutions by river trips—these are attended by hundreds of patients without any trouble whatever arising—concert parties, and so forth. At Christmas time sports gatherings are held,

and these are always greatly enjoyed. During the year an Envelope Day was held, and proved a great success, the sum of £173 being raised. The amount was expended on wireless installations for Whitby Falls hospital and Green Place, gramophone records, books for the library, and a new head and stand for the picture show plant at Claremont, the weekly performances of which are highly appreciated. As regards the concerts held at the Claremont institution from time to time, I may say that the best talent appears, and that the entertainments are listened to and watched with close attention, as also with appreciation of good or bad music as the case may be. I take this opportunity of publicly expressed my gratitude to the Mental Hospital Comforts and After Care Association for what they have done and are doing for these poor people.

Members: Hear, hear!

THE CHIEF SECRETARY: I do not wish to rush the Bill through the House. My desire is that it should be as perfect a measure as possible, and to this end I shall be glad especially of the co-operation of Dr. Saw. If the second reading is passed, the Bill will be placed low down on the Notice Paper in order that time may be allowed for its study from all possible points of view. I trust that after full consideration and after investigation of the various clauses, it will be possible even to make amendments considerably improving the measure in the direction in which it is hoped to do good to a most unfortunate section of the community.

Question put and passed.

Bill read a second time.

## BILL—ELECTORAL ACT AMENDMENT.

Received from the Assembly, and read a first time.

## BILL—LAND TAX AND INCOME TAX.

*Second Reading.*

Debate resumed from the previous day.

HON. V. HAMERSLEY (East) [4.58]: I asked the Leader of the House if he would kindly allow me an opportunity to make a few remarks on this measure before the second reading was passed, and I thank him

for affording me the opportunity desired. I wish to stress the one point that is always present to my mind regarding the taxation that is being levied upon the man on the land. It is taxation which was not contemplated by the original Land Tax Assessment Act. By it the man on the land in the agricultural areas is compelled to pay both land tax and income tax; and in that way, I claim, he is paying a tax upon his capital, quite independently of his income, and therefore is on a highly disadvantageous footing as compared with the ordinary business man, who pays tax on his income only. The whole of the capital of the man on the land is tied up in the land; and when he is taxed upon that, and also taxed upon the income derived from the land, there is laid on him a double taxation which is not imposed upon the average taxpayer of the State. I know this double taxation is pressing heavily upon a great many of the men on the land who are supposed to be doing very well. By an Act passed last session further taxation has been imposed upon the men on the land, amounting to just half of the land tax we are now imposing. In addition they have to pay road board rates and various other rates, which, cumulatively, bear heavily upon them. I regret it has not been possible to persuade the Government to bring down a Land Tax Assessment Amendment Bill so that we might have an opportunity of restoring the man on the land to the position in which he was when the measure was first passed. At that time he paid only one tax—either land or income, whichever was the greater. It has been claimed by the Government that they have returned a good deal of the taxation by way of rebates on railway freights. I would like to ask the Leader of the House whether the Government have made any contribution to the Midland Railway Co. to enable that company to grant a similar rebate on their railway system, so that the settlers on the Midland line, who pay both land and income tax, may have the advantage of the same concession that the Government claim is being received by those whose properties are along the routes of the State railways. It seems to me that the settlers on the Midland lands are not in the happy position of those who are in other parts of the State. The settlers along the Midland Railway are probably working under even more adverse conditions because they have to pay their taxes whether or not

they get a return from their operations on the land; whether the seasons are good or are adverse, they still have to pay. They may have no income at all, but taxation goes on just the same. I understand that under the Bill the taxpayer is not given the right to pay his tax in two moieties. That is a particular hardship to some of the settlers, especially those who find it difficult under stress of existing conditions to carry on operations. We know that the banking institutions are not lending money as freely as we would wish, and frequently the settler wants to get the whole of his crop in and to enable him to do that he requires all the resources at his disposal. While he has all that heavy expenditure, it would be a great convenience to him to be able to pay his tax in instalments, because during the season he could make sales of sheep and lambs and in that way be able to meet his obligations. Having to pay his tax in a lump sum, makes the position exceedingly difficult for him. I know that taxation is falling very heavily on a number of the settlers; wherever I go I find that there is a consensus of opinion that taxation is becoming a big strain. I hope it will be possible to persuade the Government next session, if it cannot be done this session, to restore the payment in moieties. I acknowledge that the Government have made a reduction in income taxation to the extent of 33½ per cent. and that it will be effective again this year. That is to the credit of the Government. I dare say there were stipulations laid down by the Commonwealth Government that taxation to some extent should be reduced, though it is not my impression that there was such a stipulation. All the same, the Government are entitled to credit for having granted that concession, and while thanking the Government for it I wish to stress the point that the reduction was on income tax, whereas many of the settlers in the State have had no income at all, by reason of their not having had any return from their land. Moreover, settlers have to pay taxation not only to the State, but to local authorities, and in many instances they have to pay Federal tax as well. Thus they carry a very heavy burden, which is severely felt, particularly by those who are utilising their land to the utmost and in that way benefiting the State by providing freight for the railways and creating a great amount of labour. In spite of the good prices that

are being received for wool and wheat, in many instances farmers are not doing too well, mainly because, as I pointed out, of the number of taxes that they have to pay, whatever their income may be. I hope that an early opportunity will be taken to amend the Assessment Act in the direction I have suggested, so that the man on the land will again pay the one tax—either land or income, whichever is the greater.

**HON. J. J. HOLMES** (North) [5.8], I did not intend to speak on the Bill, but I desire to try to clear up a point raised by Mr. Hamersley, that the concession in freights had not been granted by the Midland Railway Company. I am not in a position to say that it has, but I am in a position to say, that if it has not been made, it has been an oversight on the part of some of the authorities concerned. So far as I know the Midland Railway Company must charge the same rate over their railway as is charged over the Government lines. A peculiar position arises. It is quite fresh in my memory that when the Wongan Hills line was built connecting up Mullewa with our eastern system, a lot of the trade that usually went over the Midland line began to go via the Wongan Hills line. The Midland Company, in order to create business, began to carry long distance traffic from Three Springs to Fremantle at a lower rate than that fixed by the Government railways. The Government, however, stepped in and said, "This cannot be done; we will not allow you to carry freight at a lower rate," and it was apparently looked at that the Act declared the Midland Company must charge the same rates as were charged on the Government railway. That provision was made with the idea of preventing the company from victimising people; it was never intended that they should be prohibited from carrying traffic at a low rate. We have heard a good deal about taxation and I give the Government credit for the 33½ per cent. reduction that has been made. So far as I can understand it was optional as to how they utilised the Federal money, and looking at it from the State standpoint, they realised that the producers of the State were overtaxed and they made the reduction. In order to simplify matters, however, they made the reduction apply to everything. It was thought that the Government would make the reduction apply to primary products.

**Hon. E. H. Gray:** What about the people who pay land tax in the city.

**Hon. J. J. HOLMES:** It has been figured out that the Government made a reduction of 5s. a ton on cigarettes. Of what use is a reduction of 5s. a ton on cigarettes? Would anyone try to work out how much per cigarette that would be and who would benefit by the reduction? If anyone benefits by the reduction it is not the consumer. It would work out as if a reduction of 1s. a hog-head had been made on whisky. What good is that to the primary producer? What was intended was that primary products, especially over long distances, should get a reduction in freight, but in order to please everybody the reduction was made general which was an absurdity. This taxation reduction was referred to a good deal during the general elections, but nothing was said about the double land tax. Credit has been taken by the Government for the 15 per cent. super tax reduction, but that credit is due to the Legislative Council because our managers at the conference insisted that if the Government wanted the double land tax they should remove the super tax—7½ per cent. in one year and 7½ per cent. in the next year. Let us realise what the land owners of this country are up against. I do not know any other part of the world where people pay so many taxes as we do. We have a Federal and a State land tax and a Federal and State income tax. We have a vermin tax, which I admit is an equitable one, one of the most equitable of our taxes, although the Country Party do not think so. We also have the road board rates to pay. We can understand that the people on the land, that are paying all these taxes and are putting up with all the difficulties that confront them, should be discontented when they see people in the city living under affluent conditions, driving motor cars and attending picture shows, while they are keeping these parasites going. Mr. Hamersley has referred to the Midland Railway Company's lands and to what has happened to the settlers in that part of the State. If we pass the Closer Settlement Bill there will be no Midland Company's land, so far as I can see. There will be another injustice there. Some officer of the Government, or someone who knows nothing about the land business, can then say that this part of the State is not being put to proper use, and that it is intended to take it over. I will not deal any further with that point,

because I can elaborate upon the subject when we come to deal with the Closer Settlement Bill. I desire to give the Government credit where credit is due, namely with respect to the 33½ per cent. reduction, but they have asked too much when they have asked us to forfeit the rights that belong to us, and when they have asked for the credit of the concession which really came through the agency of this House. On the whole the Government have tried to be fair, and we have assisted them in many directions for which we deserve a certain amount of credit.

**HON. H. SEDDON** (North-East) [5.17]:

I wish to address a few remarks upon this Bill on lines similar to those I uttered last year. I think it is due to the House that remarks should be made in connection with the Federal grant that is associated with this Bill. Reference has been made to the fact that the 33½ per cent. reduction in general income is largely due, and it is admitted that it is largely due, to the receipt of moneys from the Federal Government. I should like to recall to members the fact that this money was made available under certain stipulations. It was made available in the first place as the result of the inquiries that took place into the disabilities from which Western Australia was suffering. As the result of that inquiry it was demonstrated and the Commission in their report referred to the fact, that the one industry that more than any other seemed to have suffered as a result of Federation was the gold mining industry. That was further admitted by the Prime Minister when he addressed a deputation in Kalgoorlie a few months ago, and when he stated that he had made available to Western Australia money largely as a result of the representations made by those who were acting on behalf of the gold mining industry. He said practically the same thing at Bunbury. This is the third year in which we have to deal with money that has been received from the Federal Government. Out of the first grant there was the sum of £167,000 set aside for the assistance of the gold mining industry, but so far as I can gather not a penny of that has been spent.

**Hon. J. Nicholson**: Do you mean spent, or applied in the direction indicated?

**Hon. H. SEDDON**: I thank the hon. member. I should have said that it has not been applied in the direction indicated. Regarding the second amount received, this was used

purely for the purpose of making the 33½ per cent. reduction on the general income tax. Not a penny out of that second amount was made available for the assistance of the gold mining industry. The same argument applies to the third occasion when money was received from the Federal Government. Although this money was made available largely as a result of the disabilities suffered by the gold mining industry, the whole amount for the last year has been applied in a general taxation reduction. This money was supposed to have been made available to meet certain disabilities, as I have said. The main disability the gold-mining industry has suffered from is that the costs have gone up largely as the result of the Federal policy. This relief has gone to State taxation. It only benefits certain individuals, and does not benefit those companies that are struggling and have never paid one penny in dividends, because the costs have been raised so high.

**Hon. J. J. Holmes**: A reaper and binder has jumped up to £97 in a few years.

**Hon. H. SEDDON**: Persons interested in the agricultural industry had the opportunity of placing their disabilities before the Commission when it made its inquiry.

**Hon. J. J. Holmes**: And so they did.

**Hon. H. SEDDON**: In their recommendations members of the Commission recognised the disabilities suffered by the gold mining industry more than they did those suffered by any other. My contention is that as the money was granted for the purpose of remedying disabilities associated with the gold-mining industry we had a right to expect that the State Government would make available an amount each year out of the Federal grant for the relief of that industry. I can appreciate the attitude taken up by hon. members when commending the Government for the reduction of 33½ per cent. in income tax. My contention is that while only 14 per cent. of the population of the State are paying any income tax at all, there are other avenues whereby the Government might give relief to those who are paying income tax, rather than that they should apply the Federal grant to that purpose, particularly, as has been pointed out, as the grant was made for a definite purpose. There is one argument which I think might be raised against the giving of this 33½ per cent. reduction, and by so doing reducing taxation. The position so far as the burden that is placed upon the people is concerned is to

that extent camouflaged. We have to recognise that we are committed now to an interest bill exceeding three millions per annum. In the ordinary course of events that would have been reflected in increased taxation. My argument is that this expenditure has been obscured, in that people are not paying as high an income tax as they did owing to the application of the Federal grant.

Hon. V. Hamersley: Taxation is driving capital out of the State.

Hon. H. SEDDON: The number of persons affected to any extent is so small that I am inclined to think the position with regard to investments would not be altered. The investor is looking for a large return for his outlay. While taxation in this State may be very high, that is the result of the high loan expenditure, and largely due to the fact that certain of these loan moneys have been lost, and have to be made up by the general community. In that respect I do not think the argument carries us very far.

Hon. J. Nicholson: Do you think taxation induces capital to come here?

Hon. H. SEDDON: The inducement for capital to come here already exists. On every hand we hear of people from the Eastern States who are interesting themselves in Western Australia, because they realise the tremendous possibilities in our pastoral and agricultural industries. The argument that taxation is driving capital away does not carry much weight. My remarks this afternoon are in the nature of a protest against the attitude of the Government in not making available out of the Federal grant a certain amount of money each year, to be devoted to the disabilities of the gold mining industry, which were stressed by the Commission and by the Prime Minister as being the main cause of giving the Federal grant. The Federal grant was made for five years. We have had the grant for three years, and out of it only £167,000 in the first year has been devoted to the gold-mining industry.

HON. SIR EDWARD WITTENOOM (North) [5.25]: At the outset I wish to state that I am in favour of this Bill and intend to support it. I was very much struck with the second reading speech of the Chief Secretary, and the gratifying manner in which he summed up the position with respect to taxation. I should like to repeat some of his remarks. He took credit for having re-

moved the super tax by reducing it by  $7\frac{1}{2}$  per cent. in each of two years until it was abolished, and for having effected a reduction of  $33\frac{1}{3}$  per cent., making a total reduction of  $48\frac{1}{3}$  per cent. That sounds exceedingly satisfactory, and it must be very gratifying to the Government. I take this opportunity of congratulating the Government upon having gone so far. I do not intend to say a great deal upon the question, because so many members have already spoken upon it. Some have said a deal that I have heard, and probably others this afternoon have said things I have not heard. What I wish to suggest to the Chief Secretary for the information of the Treasurer is that the Government might improve this gratifying position by making the imposition of income tax easier so that it might fall more lightly and simply upon the shoulders of those who have to pay it. I am one of those who are opposed to a land tax. In a country like this, where every effort is being made to induce people to develop the land and go upon it both in its virgin state and in its improved condition, it is wrong to ask them both to spend money in developing their holdings and to pay taxation to the Government. This remark specially refers to country people, rather than to city people. I believe in municipalities dealing with city properties and road boards dealing with country areas. Land should not be taxed for revenue purposes in a State like ours. I am a firm believer in income tax, for that is one of the taxes under which those with means can pay the most. What I should like the Government to undertake to do is to impose that taxation fairly. A large amount of property is taxed as income which is not income. I do not think anyone would object to paying a fair percentage of what he actually receives by way of income, but there are many items which have to be included in the income tax returns for assessment purposes which do not represent income. In many cases this presses heavily upon the taxpayer. Take the case of people on the land. I believe lambs and the increase of sheep have to be included as property. These lambs and sheep may die before they can be turned into profit.

Hon. J. Nicholson: Quite right.

Hon. Sir EDWARD WITTENOOM: The profit should be on the balance sheet according to which a man actually receives his income. I am not saying that those people

who are cute enough to manipulate their balance sheets in such a way that their income disappears should not be looked after. Members will follow me in the broad sense of my meaning. I believe that a man's income should be taxed, and not all these irritating and annoying items which it is so difficult to recognise as income. I, therefore, ask the Chief Secretary to pass the suggestion on to the Government. Whether it will carry any weight or not is another matter, but I should like the Government to know how much this relief would be appreciated by those who willingly pay income tax, who pay a far greater percentage than they ought to pay, and who desire that they should be asked to pay only on what is their natural income. Taxation at present is very heavy. The more we take away from the people, the less are they possessed of for the purpose of developing the country. So long as they are assessed on what is actually income, people are prepared to pay income tax. I regard a tax on income as probably the fairest way in which revenue can be obtained, but I am opposed to a land tax for the reasons I have indicated.

Hon. W. T. Glasheen: A tax on income can be passed on, and so the tax is not always paid by the taxpayer.

Hon. Sir EDWARD WITTENOOM: I am dealing with the subject along broad lines. I suppose there are objectionable practices indulged in by some people.

Hon. J. Nicholson: The land tax cannot be passed on.

Hon. Sir EDWARD WITTENOOM: In the returns furnished by pastoralists are to be found many items respecting which the tax cannot be passed on, and yet those items are such that they cannot be regarded as income. Those burdens press very severely. If people were assessed on what was actually income—

Hon. J. Nicholson: On bona fide income.

Hon. Sir EDWARD WITTENOOM: Yes; if that were done, people would be prepared to pay a fairly high tax because that is a fair basis.

Hon. J. M. Macfarlane: What about the Thorogood case that was dealt with in the High Court recently? He was being taxed on profits to be earned during the next 20 years.

Hon. Sir EDWARD WITTENOOM: I do not desire to go into details, but in the instance referred to by Mr. Macfarlane, one

of the judges passed very severe strictures on the methods adopted by the Commissioner of Taxation. I am speaking in a general way with the object of suggesting that the Government should continue their splendid record to date, and endeavour if possible not only to reduce taxation but to levy the tax on what is, as Mr. Nicholson suggested, bona fide income only.

On motion by Hon. E. Rose, debate adjourned.

### ADJOURNMENT—SPECIAL.

**THE CHIEF SECRETARY** (Hon. J. M. Drew—Central) [5.34]: I move—

That the House at its rising adjourn until Tuesday, the 27th September.

Question put and passed.

*House adjourned at 5.35 p.m.*

## Legislative Assembly,

*Wednesday, 21st September, 1927.*

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The SPEAKER took the Chair at 4.30 p.m., and read prayers.

### QUESTION—WATER METERS.

Mr. J. MacCallum SMITH asked the Minister for Works: 1, Has any officer of the Metropolitan Water Supply Department recommended the discontinuance of the use of water meters? 2, If so, will he make the recommendation available to the House?

The MINISTER FOR WORKS replied: 1, No. The principal professional officers of the department have consistently advocated adequate metering. 2, Answered by No. 1.